



March 26, 2004

Mr. Thomas Baranouskas
Battelle Pacific Northwest National Laboratory
P. O. Box 999 MSIN K1-70
Richland, Washington 99352

**FY2003 SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT (SCFAR) PEER
REVIEW - PACIFIC NORTHWEST NATIONAL LABORATORY (PNNL)**

Dear Mr. Baranouskas:

The SCFAR Peer Review Team has reviewed the FY2003 Support Cost by Functional Activity of Pacific Northwest National Laboratory (PNNL). The purpose of our review was to confirm that the data reported by PNNL complied with the guidelines and definitions issued by the United States Department of Energy (DOE) and to fulfill a DOE requirement to have all of the reporting sites independently reviewed on a periodic basis.

PNNL FY2003 Support Cost by Functional Activity Report Process

PNNL primarily utilized organization codes to categorize costs in its FY2003 SCFAR. This methodology first collects data at the organizational level and assigns each organization a functional cost category. Where the data collected at the organizational level is insufficient to accurately assign costs to a functional cost category, PNNL examines the associated WBS. From the examination of the WBS, PNNL then assigns the appropriate functional cost category.

The recommendations during the last SCFAR Peer Review (3/11/98) for FY1997 have been verified as implemented.

Recommendations during the FY2003 Peer Review

1. General Research Equipment (GRE) was categorized in LDRD.
Team Recommendation: Move to Capital/Construction.

Site Response: PNNL agrees with the team recommendation.

2. Other included the following items.
Team Recommendation: The team recommends these support costs be reported in Information/Outreach Activities.
 - a. Planning & Technical Liaison
 - b. Program Development & Management
 - c. Bid & Proposal

Site Response: PNNL agrees with the team recommendation.

3. Org D6270 Records Management System was reported as Information/Outreach Activities.
Team Recommendation: The team recommends Org D627 be reported under Central Administrative Services.

Site Response: PNNL agrees with the team recommendation.
4. Org D72 DOE Sector Integration was categorized as Laboratory/Tech Support.
Team Recommendation: The team recommends Org D72 be reported under Executive Direction.

Site Response: PNNL agrees with the team recommendation.
5. Org D7P26 Planning & Operational Effectiveness was included in Mission Direct
Team Recommendation: The Team recommends Org D7P26 be report under Executive Direction

Site Response: PNNL agrees with the team recommendation.
6. Org D9T85 Env. Characterization & Risk Assess. was reported in Mission Direct
Team Recommendation: The Team recommends Org D9T85 be reported under Environmental

Site Response: PNNL agrees with the team recommendation.
7. Org D9T86 Ecology was reported in Mission Direct
Team Recommendation: The team recommends Org D9T86 be reported in Environmental

Site Response: PNNL will evaluate the recommendation.
8. Org D9C27 Cyber Security was included in Mission Direct
Team Recommendation: The team recommends Org D9C27 be reported in Safeguards & Security


Site Response: PNNL agrees with the team recommendation.
9. Org D7P91 Operations Office was reported in Mission Direct.
Team Recommendation: The team recommends Org D7P91 be reported in the appropriate support categories.

Site response: PNNL agrees with the team recommendation.

Accuracy Assessment

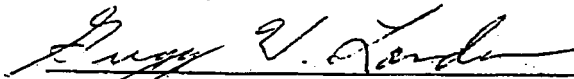
The Peer Review Team has concluded that PNNL has met the intent of the SCFAR guidelines and definitions and has achieved a level of accuracy at or above 90%.

We would like to thank Mr. Jeff Enger and Ms. Cindy Doyle for their help and support.



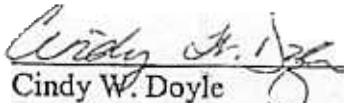
Armando R. Bautista, Peer Review Team Lead
Lawrence Berkeley National Laboratory, LBNL

3/26/04
Date



Gregg W. Landon
Idaho National Engineering & Environmental Laboratory, INEEL

3/26/04
Date



Cindy W. Doyle
Pacific Northwest National Laboratory

3/26/04
Date

Cc: A. Bautista, LBNL
G. Landon, INEEL
B. Morishita, FMSIC
J. Campbell, DOE-HQ
J. Enger, PNNL
C. Doyle, PNNL
D. Aoyama, DOE- RL
N. Mendez, DOE-PNSO